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Details:

(FORM UPDATED: 07/12/2010)

WISCONSIN STATE LEGISLATURE ... PUBLIC HEARING - COMMITTEE RECORDS

2007-08

(session year)

Assembly

(Assembly, Senate or Joint)

Committee on ... Agriculture (AC-Ag)

COMMITTEE NOTICES ...

- Committee Reports ... CR
- Executive Sessions ... ES
- Public Hearings ... PH
- Record of Comm. Proceedings ... RCP

INFORMATION COLLECTED BY COMMITTEE FOR AND AGAINST PROPOSAL

- Appointments ... Appt
- Clearinghouse Rules ... CRule
- Hearing Records ... bills and resolutions

(ab = Assembly Bill) (sb = Senate Bill) (ar = Assembly Resolution)

(**sr** = Senate Resolution)

(ajr = Assembly Joint Resolution) (sjr = Senate Joint Resolution)

Miscellaneous ... Misc

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Motion Carried

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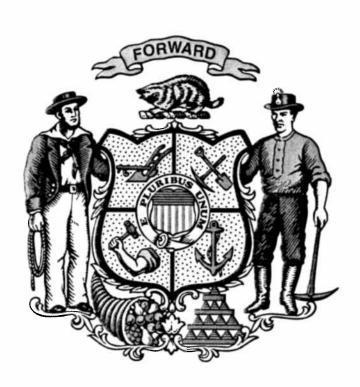
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February 6, 2007

To:

State Representative Steve Wieckert

From: John Umhoefer, executive director Wisconsin Cheese Makers Association

Re:

Wieckert Agricultural Biotechnology Bill

8030 Excelsior Drive Suite 305 Madison, WI 53717-1950

> Phone 608-828-4550

Fax 608-828-4551

E-mail office@wischeesemakersassn.org

Website www.wischeesemakersassn.org Dear Representative,

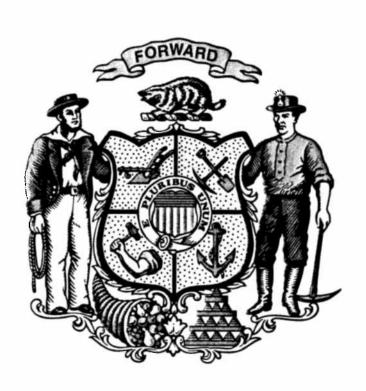
Wisconsin Cheese Makers Association, representing manufacturers and marketers of dairy products in Wisconsin, supports your legislation to provide tax relief for the cuttingedge area of agricultural biotechnology.

It is a stated goal of our Board of Directors to encourage the growth and success of dairy farming in Wisconsin. Measures that encourage the production of new agricultural products in Wisconsin are necessary for the continued success of our ag community.

Wisconsin must make all efforts to encourage the uptake of new technology, new medicines and new sources of feeds for our dairy industry. America's Dairyland should not only be content to grow its existing industry, but offer signals to potential new producers and investors outside the state that Wisconsin is encouraging dairy growth.

This bill will provide another tool for Wisconsin's broad effort to modernize its dairy industry and assure that dairying remains a desirable, profitable business for our next generation of dairy farmers.







Capitol Strategies, LLC

Government relations and Public Policy Consulting Firm

April 3, 2007

Representative Steve Wieckert 16 West, State Capitol Madison, WI 53702

RE: LRB 0694/3 pertaining to a sales and use tax exemptions for electricity used in agricultural biotechnology.

Dear Representative Wieckert:

My client, BIO (Biotechnology Industry Organization), a national trade association that represents more than 1,100 biotechnology companies, academic institutions, state biotechnology centers and related organizations across the United States and 31 other nations, is very supportive of your effort to introduce legislation to provide a sales and use tax exemption for electricity used in the development of agricultural biotechnology.

Wisconsin has over 50 bio-science companies devoted to agriculture that provide jobs for more than 20,000 workers. Research that is being done right here in Wisconsin is providing our state's farmers with the advanced tools they need to be profitable and succeed. In 2003 there was over a \$500 million impact associated with biotech crops in Wisconsin, a significant boost to the state's economy and this number continues to grow each year; animal biotechnology has provided valuable tools in milk production and produced vaccines to protect animals against disease such as swine pseudorabies.

Your legislation would not only encourage the future development of the biotechnology industry in the state, it will also level the playing field for these companies. Currently, manufacturing inputs in the state, including electricity, are exempt from the sales and use tax; agriculture is also exempt from paying a sales and use tax on electricity. The agriculture biotechnology industry however is a missing link in this exemption that needs to be connected.

With Wisconsin looking to market itself as a biotechnology center, your legislation is an important initiative and sends a strong message to the industry that they are welcome in our state.

Thank you for your support of agriculture biotechnology. We look forward to working with you as this measure moves through the legislative process.

Warmest regards,

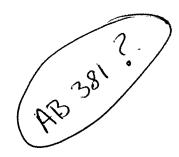
Amy Winters





April 5, 2007

Representative Steve Wieckert Room 16 West, State Capitol P.O. Box 8953 Madison, WI 53708



Dear Representative Wieckert,

On behalf of the Wisconsin Technology Council, thank you for authoring your bill related to enhancing the agricultural biotechnology economy through assistance with electrical costs of production.

The Tech Council has issued white papers related to many policy initiatives, including the growth of the agricultural biotechnology sector in Wisconsin. We believe this sector is important to the economic development of the state, especially rural areas where the agricultural biotechnology can be leveraged to positively impact all aspects of the community.

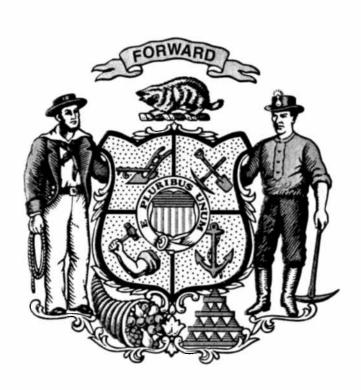
Thank you for your support on this important issue.

Sincerely,

Tom Still, president

Wisconsin Technology Council 455 Science Drive, Suite 240

Madison, WI 53711





WISCONSIN BIOTECHNOLOGY AND MEDICAL DEVICE ASSOCIATION

Manchester Place – Capitol Square 2 E. Mifflin Street, Suite 600 Madison, WI 53703 Phone: 608-252-9393 Fax: 608-283-5508

Email: wisbiomed@dewittross.com www.wisbiomed.org

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Restaino Bunbury & Associates

TomoTherapy, Inc.
VWR International

Wisconsin Alumni Research Foundation

August 1, 2007

Representative Steve Wieckert P.O. Box 8953 Madison, WI 53708

RE: Support for AB 381

Dear Representative Wieckert:

I am writing to you on behalf of Wisconsin's 350 bioscience companies. This industry is growing rapidly in our state (over \$7 billion in annual revenue and now approaching 25,000 jobs).

We wish to express our support of Assembly Bill 381. This bill focuses on providing a sales tax credit for electricity used by one sector of Wisconsin's biotech community, agricultural biotechnology.

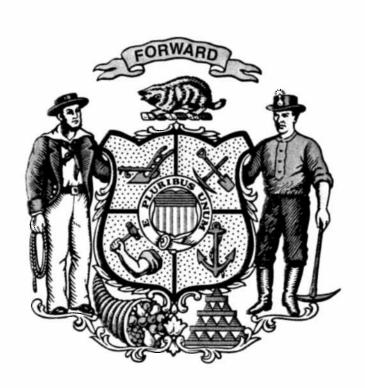
Agricultural biotechnology represents, as defined in the legislation, a small (probably less than 5%) but important part of Wisconsin's biotechnology and medical device community. About one-half of our bioscience jobs are in medical devices and nearly half are engaged in human health related biotechnology.

(Contrary to popular belief only a handful of our bioscience members are engaged in stem cell-related product development. Over 99% of our jobs and revenue are derived from other bioscience/medical device endeavors.)

We appreciate the income tax credit that is granted by this legislation to enterprises engaged in agricultural biotechnology. This legislation will encourage the growth of this important sector of our bioscience business community.

Sincerely

Ronald W. Kuehn





August 22, 2007

Representative Al Ott, Chairman Members Assembly Committee on Agriculture State Capitol Madison, WI 53707

Dear Chairman Ott and Members:

The Wisconsin Dairy Business Association registers its support for 2007 Assembly Bill 381, introduced by Representative Steve Wieckert.

The advancement of biotechnological research is an important component of the future of agricultural science in Wisconsin. Today, Wisconsin is recognized worldwide as the one of the leaders in agricultural genetics and innovation. If Wisconsin is to remain at the forefront of technological innovation, we must continue to encourage scientific techniques, including genetic engineering, to improve the agricultural products of our farms. Wisconsin is renowned worldwide for the genetic qualities of its dairy cows. To remain leaders in this field, we must encourage growth of this industry here in Wisconsin. The income and tax credit that would be created by Assembly Bill 381 is one of the ways to encourage growth of this industry in our state.

The University of Wisconsin College of Agriculture and Life Sciences, (UW-CALS), is the one of the finest agricultural teaching colleges in the world. UW-CALS is a magnate to companies doing the research that will produce not only better dairy cows, but also other food and pharmaceuticals. Today, insulin used to treat diabetes is produced by biotechnology. The research in biotechnology may one day develop vaccines effective against malaria and other infectious diseases. Or it may develop antibody-type proteins to treat medical conditions such as cancers, or enzymes that correct genetic-deficiency diseases.

The products of agricultural biotechnology are the future of agribusiness, pharmacology and food science. The Wisconsin Dairy Business Association encourages the members of this committee to see the benefit of Assembly Bill 381 as a tool to attract the companies and scientists doing this research to Wisconsin.

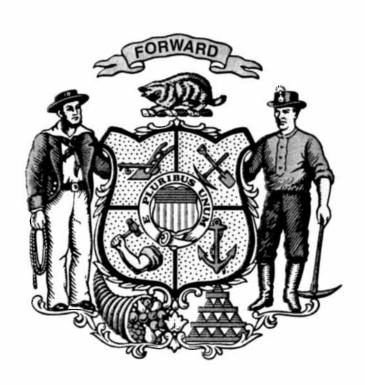
Thank you.

Laurie Fischer, Executive Director

Haurie Ficture

Wisconsin Dairy Business Association.

The Dairy Business Association is an industry organization comprised of dairy producers, corporate and allied industry supporters. DBA promotes the growth and success of all dairy farms in Wisconsin by fostering a positive business and political environment. For more information about DBA, please visit our website at www.widba.com.



Testimony of State Representative Steve Wieckert

Assembly Bill 381 – Agriculture & Biotechnology Tax Relief

Assembly Committee on Agriculture 417 North – August 23, 2007

Good morning Chairman Al Ott and committee members. I am sorry that I am unable to testify in person before you today, but I thank you for the opportunity to submit my written testimony in support of Assembly Bill 381, which would create a sales tax credit on the purchase of electricity used in agriculture biotechnology.

We are all very proud of our agricultural industry. It is one of our founding industries in Wisconsin, and continues to play a vital role in our state's economy today.

The agricultural industry in Wisconsin is very dynamic. It is continually growing, changing, and improving. This is both a result of the hardworking citizens involved in the industry, as well as our first-class research and teaching institutions, especially through the University of Wisconsin.

I have proposed this bill to keep Wisconsin on the cutting edge of the agricultural industry. It would exempt electricity from sales tax if the electricity was used for the purpose of agricultural and biotechnology research.

Bioscience has a tremendous impact on our lives and economy in Wisconsin. Biomedical advances have contributed enormously to our standard of living. The return investment provided by biomedical research nationwide is measured in the trillions of dollars.

Bioscience in Wisconsin contributes over \$6.9 billion to the state's economy annually. Wisconsin bioscience researchers contributed \$582 million to the state's economy from non-Wisconsin sources, primarily through competitive grants in 2005. This research employs 3,825 professionals in the state. Wisconsin's bioscience industry, comprised of 338 companies throughout the state, had revenues of \$6.4 billion in 2005 and employed 22,372 people in the state. The Wisconsin bioscience industry, as measured by revenues, grew by 16% annually from 2003-2005 and added 3,000 employees during that time.

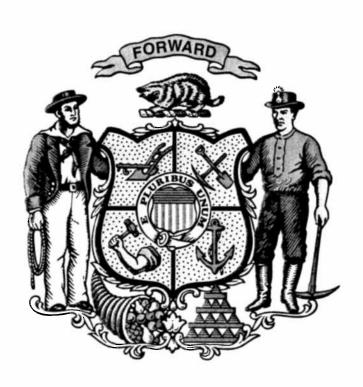
I would like to see that we do everything we can to eliminate the tax drag on research and development. This is an important step in that direction.

In a previous session, I authored legislation to eliminate the tax on electricity used in manufacturing. Many industries were helped by this bill, which eventually became law, including our state's paper industry, which uses more electricity than any industry in the state.

I am pleased to report that numerous organizations are supporting this legislation including:

- Wisconsin Biotechnology & Medical Device Association
- Wisconsin Independent Businesses Inc.
- Wisconsin Cheese Makers Association

Thank you for your consideration of this very important piece of legislation. Scott of my staff is now available to answer any specific questions the committee may have. This bill passed the Assembly Agriculture Committee last year by a vote of 11-2.





State of Wisconsin • DEPARTMENT OF REVENUE

2135 RIMROCK RD. • P.O. BOX 8933 • MADISON, WISCONSIN 53708-8933 PHONE (608) 268-6466 • FAX (608) 266-5718 • http://www.revenue.wi.gov

Jim Doyle Governor

Roger M. Ervin Secretary of Revenue

Assembly Committee on Agriculture Hearing, August 23, 2007

ASA 1 to AB 381 - Exempting from Sales and Use Tax Electricity Used in Agricultural Biotechnology (Rep. Wieckert)

Description of Current Law and Proposed Change

As amended by ASA1, the bill would define "agricultural biotechnology" and exempt from sales and use tax purchases of electricity consumed in research or product development related to agricultural biotechnology. The bill would take effect July 1, 2007.

Fairness/Tax Equity

Since the bill carves out an exemption for electricity used in agricultural biotechnology but
not biotechnology as a whole, excluded non-agricultural biotechnology companies may
argue that the exemption is discriminatory and that their purchases of electricity should also
be exempt. Also, it may not be clear in practice that agricultural biotechnology can be
distinguished from other types of biotechnology.

Impact on Economic Development

- By reducing the costs of agricultural research and development, the exemption would be
 expected to motivate investment in such activities. However, the exclusion of the broader,
 non-agricultural field of biotechnology from the exemption may discourage R&D in
 biotechnology in general.
- An income tax credit for research and development expenditures and facilities is already available for all corporations.

Administrative Impact/Fiscal Effect

- The new exemption would reduce sales tax collections. However, data are not available to estimate the amount of the change.
- The retroactive effective date (July 1, 2007) may be confusing to taxpayers. An effective date of the first day of the second month beginning after publication of the bill would give the department time to notify taxpayers and their customers of the law change.
- Since the bill does not define "product research or product development", it is not clear what
 activities would qualify for the exemption. For example, would electricity used in market
 research qualify for exemption? The exemption might be limited to electricity consumed in
 "qualified research" as defined in sec. 41 (d) of the Internal Revenue Code which would be
 consistent with Wisconsin's current corporate income tax research expenditures credit under
 sec. 71.28 (4) (a). The research expenditures credit applies only to expenditures

undertaken to discover information that is technological in nature and intended to be useful in the development of a new or improved business component.

Prepared by: Blair Kruger, (608) 266-1310

August 15, 2007

BK:skr

L:\session 07-09\hearings\bk\ab0381ASA1.doc



Ruby, Erin

From:

Ruby, Erin

Sent:

Wednesday, September 05, 2007 1:26 PM

To:

Rep.Garthwaite; Rep.Gronemus; Rep.Jorgensen; Rep.Molepske; Rep.Mursau; Rep.Murtha;

Rep. Nerison; Rep. Tauchen; Rep. Vruwink; Rep. Williams M

Cc:

Arrowood, Craig; Cross, William; Gillis, George; Hoelter, Jon; Houdek, Nathan; Junck, Linda; Kent, Christopher; Kraak, Maureen; Langan, Casey; McKinny, Chris; Palese, Tony; Patronsky,

Mark; Peterson2, Ilsa; Pettack, Deanna; Potts, Andrew; Rausch, Scott; Smith-Loomans,

Sandra; Sweeney, Rebekah; Wolkomir, Jon

Subject:

Amendments for Thursday's Agriculture Committee Executive Session

Attachments:

LRB a0678 1; LRB a0678/1; 07s01301.pdf; Hines Memo AB 446.doc

Members.

Please find attached two amendments for the committee's consideration during tomorrow's executive session.

The first is an amendment to Assembly Substitute Amendment 1 to AB 381, as well as a drafter's note. This amendment has not been introduced.





07a06781.pdf (6 07a06781dn.pdf (6

KB)

The second is Assembly Substitute Amendment 1 to AB 446, offered by Rep. Hines, along with a memo from Rep. Hines regarding the intent of the amendment. You should have received both of these documents directly from his office as well.





07s01301.pdf (26 KB)

Hines Memo AB 446.doc (30 KB)

Hard copies of these materials will be provided at tomorrow's meeting.

Feel free to let me know if you have any questions.

Erin Ruby Research Assistant Clerk, Assembly Committee on Agriculture Office of State Representative Al Ott 608.266.5831 erin.ruby@legis.wisconsin.gov